

STRASBURG SANITATION AND WATER DISTRICT

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

with

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

December 31, 2018

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Office of the State Auditor

August 1, 2019

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KENT BEICHLE, CPA

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Board of Directors
Strasburg Sanitation and Water District
Strasburg, Colorado

I have audited the accompanying financial statements of the Strasburg Sanitation and Water District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



KENT BEICHLE, CPA

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Strasburg Sanitation and Water District as of December 31, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require management's discussion and analysis on pages 3-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the Schedule of Revenues and Expenses - Budget and Actual on pages 17 - 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the portion marked "compiled" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kent Beichle, CPA

July 23, 2019

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Strasburg Sanitation and Water District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended December 31, 2018. This information is presented in conjunction with the audited basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2018

- The District's net position increased by \$34 thousand or 1.9 percent from \$1 million 774 thousand to \$1 million 808 thousand.
- Operating revenues decreased by \$2 thousand or .4 percent from \$560 thousand to \$558 thousand.
- Operating expenses increased by \$24 thousand or 4.6 percent from \$501 thousand to \$525 thousand.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the District report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles which are generally accepted in the United States of America. The Statement of Net Position includes information on the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). The Statements of Revenues, Expenses and Changes in Net Position identifying the District's revenues and expenses for the fiscal year ended December 31, 2018. This statement provides information on the District's operations over the past fiscal year and can be used to determine whether the District has recovered all of its actual and projected costs through user fees and other charges. The third financial statement is the Statements of Cash Flows. This statement provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities. From the Statements of Cash Flows, the reader can obtain information on the source and use of cash and the change in the cash and cash equivalents balance for the last fiscal year.

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

FINANCIAL ANALYSIS OF THE DISTRICT

The Statement of Net Position and the Statements of Revenues, Expenses and Changes in Net Position provide and indication of the District's financial condition and also indicate that the financial condition of the District improved during the last fiscal year. The District's net position reflect the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

NET POSITION

A summary of the District's Statements of Net Position is presented below.

Table 1
 Condensed Statements of Net Position
 (In thousands of dollars)

	<u>2018</u>	<u>2017</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and Other assets	\$ 905.3	\$ 821.3	\$ 84.0	\$ 10.2%
Capital Assets, net	947.8	994.7	(46.9)	(4.7)%
Total Assets	1,853.1	1,816.0	37.1	2.0%
Current Liabilities	45.1	42.1	3.0	7.1%
Total Liabilities	45.1	42.1	3.0	7.1%
Net position invested in capital assets	947.8	994.7	(46.9)	(4.7)%
Net position restricted for TABOR	20.5	20.4	.1	.5%
Unrestricted net position	839.7	758.8	80.9	10.7%
Total Net Position	\$1,808.0	\$1,773.9	\$ 34.1	\$ 1.9%

As the table indicates, total net position increased by \$34.1 thousand or 1.9 percent in 2018 as compared to 2017. The increase was attributed to net income for the year. Cash and cash equivalents increased by \$90 thousand as a result of the operations of the district plus the amount of depreciation expense for the year. Accounts receivable is similar in 2018 to the amount in 2017. Prepaid expenses decreased by \$6 thousand in 2018 as compared to 2017.

**STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

NET POSITION, CONTINUED

Capital assets decreased by \$47 thousand for the year. Depreciation expense for the year was \$49 thousand, with capital expenditures of \$2 thousand.

Liabilities increased by \$3 thousand as a result of an increase in accounts payable. Customer deposits were very similar to 2017.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Table 2
Condensed Statements of Revenues, Expenses
and Changes in Net Position
(In thousands of dollars)

	<u>2018</u>	<u>2017</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues	\$ 483.4	\$ 489.2	\$ (5.8)	\$ (1.2)%
Nonoperating revenues	75.3	71.3	4.0	5.6%
Total Revenues	558.7	560.5	(1.8)	(.3)%
Depreciation expense	49.0	48.7	.3	.6%
Other Operating Expenses	475.6	452.6	23.0	5.1%
Total Expenses	524.6	501.3	23.3	4.6%
Changes in Net Position	34.1	59.2	(25.1)	(42.4)%
Beginning Net Position	1,773.9	1,714.7	59.2	3.5%
Ending Net Position	\$1,808.0	\$1,773.9	\$ 34.1	\$ 1.9%

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, CONTINUED

The net position of the District increased by \$34 thousand in 2018 as compared to 2017 as a result of net income of the District.

Operating revenues decreased by \$6 thousand in 2018. The decrease was due to water charges being less in 2018.

Total other operating expenses increased by \$23 thousand or 4.6%. Professional fees decreased by \$26 thousand in 2018 as compared to 2017. Repairs and maintenance increased by \$36 thousand in 2018 due to water line repairs. Payroll and benefits increased by \$11 thousand for the year.

CAPITAL ASSETS

As of December 31, 2018, the District's investment in capital assets totaled \$948 thousand, which is a decrease of \$47 thousand or 4.7% over the capital asset balance of \$995 thousand at December 31, 2017. A comparison of the District's capital assets over the past two fiscal years is presented in Note 4 of the financial statements.

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Strasburg Sanitation and Water District at P.O. Box 596, Strasburg, Colorado 80136.

FINANCIAL STATEMENTS

STRASBURG SANITATION AND WATER DISTRICT

STATEMENT OF NET POSITION

December 31, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 862,510
Accounts receivable	<u>42,769</u>

Total Current Assets	<u>905,279</u>
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Capital Assets (Note 4):

Nondepreciable capital assets:

Land	<u>210,951</u>
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Total nondepreciable capital assets	<u>210,951</u>
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Depreciable capital assets:

Plant and equipment	1,854,153
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Less accumulated depreciation	(1,117,284)
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Total depreciable capital assets	<u>736,869</u>
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Total capital assets	<u>947,820</u>
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Total Assets	<u>\$1,853,099</u>
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DEFERRED OUTFLOWS OF RESOURCES

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	\$ 32,464
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Security deposits	<u>12,642</u>
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Total Liabilities	<u>45,106</u>
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DEFERRED INFLOWS OF RESOURCES

NET POSITION

Net investment in capital assets	\$ 947,820
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Restricted for TABOR	20,535
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Unrestricted	<u>839,638</u>
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Total Net Position	<u>\$1,807,993</u>
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The accompanying notes are an integral part of the financial statements.

STRASBURG SANITATION AND WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended December 31, 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating Revenues:			
Water and sewer services	\$183,967	\$ 299,434	\$ 483,401
Total Operating Revenues	<u>183,967</u>	<u>299,434</u>	<u>483,401</u>
Operating Expenses:			
Salaries and directors fees	43,942	43,941	87,883
Maintenance supplies	9,042	4,874	13,916
Payroll taxes and benefits	2,100	2,100	4,200
Legal and accounting (Note 6)	13,892	13,892	27,784
Office supplies and expense	8,813	8,813	17,626
Repairs and maintenance	72,846	5,300	78,146
Electricity	20,504	-	20,504
Depreciation	24,500	24,500	49,000
Testing and chlorine	7,739	-	7,739
Insurance	3,598	3,598	7,196
Engineering	11,838	1,292	13,130
Sewage surcharge	-	197,553	197,553
Total Operating Expenses	<u>218,814</u>	<u>305,863</u>	<u>524,677</u>
Net Operating Loss	<u>(34,847)</u>	<u>(6,429)</u>	<u>(41,276)</u>
Add Non-Operating Revenues:			
Development fees	-	7,200	7,200
Property tax collections	22,277	22,277	44,554
Interest income	5,658	5,659	11,317
Farm income	1,599	1,598	3,197
Rent	3,928	3,929	7,857
Miscellaneous	603	602	1,205
	<u>34,065</u>	<u>41,265</u>	<u>75,330</u>
Increase in net position	\$ <u>(782)</u>	\$ <u>34,836</u>	34,054
Net position:			
Beginning of Year			<u>1,773,939</u>
End of Year			<u>\$1,807,993</u>

The accompanying notes are an integral part of the financial statements.

STRASBURG SANITATION AND WATER DISTRICT

STATEMENT OF CASH FLOWS

Years Ended December 31, 2018

Cash flows from operating activities:	
Cash receipts from customers	\$ 483,515
Cash payments to suppliers for goods and services	(378,436)
Cash payment to employees for services	<u>(87,883)</u>
Net cash provided by operating activities	<u>17,196</u>
Cash flows from noncapital financing activities:	
Property taxes received	44,554
Miscellaneous income	1,205
Rent income	7,857
Development fees	<u>7,200</u>
Net cash provided by noncapital financing activities	<u>60,816</u>
Cash flows from capital and related financing activities:	
Additions to capital assets	<u>(2,130)</u>
Net cash used in capital and related financing activities	<u>(2,130)</u>
Cash flows from investing activities:	
Farm income	3,197
Interest received on investments	<u>11,317</u>
Net cash provided by investing activities	<u>14,514</u>
Net increase in cash and cash equivalents	90,396
Cash and cash equivalents, beginning of year	<u>772,114</u>
Cash and cash equivalents, end of year	<u>\$ 862,510</u>
Reconciliation of Operating Loss to	
Net Cash Used by Operating Activities:	
Operating Loss	\$ (41,276)
Adjustments:	
Depreciation	49,000
Net change in assets and liabilities:	
Accounts receivable	114
Accounts payable	3,113
Prepaid expenses	6,345
Security deposits	<u>(100)</u>
Net cash provided by operating activities	<u>\$ 17,196</u>

The accompanying notes are an integral part of the financial statements.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

(1) Description of Entity

Reporting Entity

The Strasburg Sanitation and Water District operates under an elected five-person Board of Directors. The Board of Directors hires a manager to oversee the daily operations of the District. The District's major operations include water and sewer services for an unincorporated area in Adams and Arapahoe counties known as Strasburg, Colorado. No other agency or authority is controlled by or controls the District.

(2) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The District's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, net position, revenues and expenses. Enterprise Funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net position. Net position (i.e., total assets net of total liabilities) are segregated into investment in capital assets, restricted for TABOR; and unrestricted components.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2018

(2) Summary of Significant Accounting Policies, Continued

Basis of Presentation and Accounting, Continued

Management of the District has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results may differ from those estimates.

Cash Equivalents and Investments

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes bank certificates of deposit and investments in the Colorado Trust Plan.

All bank balances of deposits as of the balance sheet dates are entirely insured.

Capital Assets

The cost of additions to the utility plant and major replacements of retired units of property is capitalized. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Cost includes direct labor, outside services, materials and transportation, employee fringe benefits, overhead, and interest on funds borrowed to finance construction. The District did not capitalize interest during fiscal year 2018. The cost and accumulated depreciation of property sold or retired is deducted from capital assets, and any profit or loss resulting from the disposal is credited or charged in the nonoperating section of the statements of revenues, expenses and changes in net assets. The cost of current repairs, maintenance, and minor replacements is charged to expense.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2018

(2) Summary of Significant Accounting Policies, Continued

Capital Assets, Continued

The useful lives of property, plant and equipment for purposes of computing depreciation:

	<u>Years</u>
Office equipment and tools	10
Buildings and sheds	15
Fences, pump house and equipment, water tank and tower, wells and pumps, water storage facility and administration building	20
Sewer transmission and distribution lines	50
Vehicle	4

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the District's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

Property Taxes Receivable

Arapahoe and Adams Counties are responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments. The first installment is due on or before February 28 and the second installment is due on or before June 15.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2018

(2) Summary of Significant Accounting Policies, Continued

Property Taxes Receivable, Continued

All property taxes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition-Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

A fee of .25% on General Fund collections is retained by the County as compensation for collecting the taxes.

Compensated Absences

A liability for compensated absences has not been accrued in the financial statements because the amount cannot be reasonably determined and is immaterial in amount.

Net Position

Net position, comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position are classified in the following three components:

Invested in capital assets, net of related debt-This component of net position of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted-This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The District is restricted by the Colorado Tabor Amendment law regarding tax revenues, emergency reserves and other requirements.

Unrestricted net position-This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2018

(2) Summary of Significant Accounting Policies, Continued

Budgetary Principles

The District's Board of Directors prepares a budget in December of each year on a cash basis. The adopted budget can be amended during the year based upon unforeseen revenues and expenditures. All expenditures from the budget are approved by the Board of Directors during their monthly meetings. There were no amendments to the budget during the 2014 calendar year.

(3) Deposits

The District's cash and deposit policies are approved by the Board of Directors and governed by Colorado Statute. The Colorado Public Deposit Protection Act and the Savings and Loan Public Deposit Protection Act of Colorado (PDPA) require that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The fair value of the collateral must be at least equal to the aggregate uninsured deposits. As of December 31, 2018, the district's deposits included \$177,082 of demand deposits, \$171,584 of certificates of deposit and \$513,844 of money market funds. All deposits are either insured or collateralized.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2018

(4) Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>January 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2018</u>
Non-depreciable capital assets:				
Land and land rights	\$ 210,951	\$ -	\$ -	\$ 210,951
Total non-depreciable capital assets	<u>210,951</u>	<u>-</u>	<u>-</u>	<u>210,951</u>
Depreciable capital assets:				
Sewer lines	126,777	-	-	126,777
Fences	2,577	-	-	2,577
Buildings and sheds	5,855	-	-	5,855
Pump house and equipment	35,759	-	-	35,759
Wells and pumps	673,965	-	-	673,965
Water tank and tower	33,881	-	-	33,881
Water storage facility	164,073	-	-	164,073
Transmission and distribution lines	736,818	2,130	-	738,948
Administration building	<u>72,318</u>	<u>-</u>	<u>-</u>	<u>72,318</u>
Total capital assets being depreciated	<u>1,852,023</u>	<u>2,130</u>	<u>-</u>	<u>1,854,153</u>
Less accumulated depreciation	<u>1,068,284</u>	<u>49,000</u>	<u>-</u>	<u>1,117,284</u>
Total capital assets being depreciated, net	<u>783,739</u>	<u>(46,870)</u>	<u>-</u>	<u>736,869</u>
Total capital assets, net	\$ <u>994,690</u>	\$ <u>(46,870)</u>	\$ <u>-</u>	\$ <u>947,820</u>

(5) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for risk of loss. The District is insured by the Colorado Special Districts Property and Liability Pool. The purpose of the Pool is to arrange and administer programs for the pooling of self-insurance losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance and administrative services.

The District did not have settled claims that exceeded the District's commercial insurance coverage in any of the past three years.

SUPPLEMENTARY INFORMATION

STRASBURG SANITATION AND WATER DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

Year Ended December 31, 2018

	<u>Original Budget (Compiled)</u>	<u>Final Budget (Compiled)</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Water sales	\$ 200,000	\$ 200,000	\$ 183,967	\$ (16,033)
Sewer fees	303,000	303,000	299,434	(3,566)
Property taxes	40,000	40,000	44,554	4,554
Interest	2,000	2,000	11,317	9,317
Farm income	6,000	6,000	3,197	(2,803)
Rent	16,000	16,000	7,857	(8,143)
Miscellaneous	3,500	3,500	1,205	(2,295)
Development fees	-	-	7,200	7,200
Total Revenues	<u>570,500</u>	<u>570,500</u>	<u>558,731</u>	<u>(11,769)</u>
Expenditures:				
Sanitation:				
Collection:				
Sewer treatment surcharge	190,000	190,000	197,553	(7,553)
Supplies	500	500	4,874	(4,374)
Repairs and maintenance	<u>12,000</u>	<u>12,000</u>	<u>5,300</u>	<u>6,700</u>
Total Sewage Collection	<u>202,500</u>	<u>202,500</u>	<u>207,727</u>	<u>(5,227)</u>
Water:				
Source of supply:				
Supplies	50,000	50,000	5,838	44,162
Electricity	<u>20,000</u>	<u>20,000</u>	<u>20,504</u>	<u>(504)</u>
Total Source of Supply	<u>70,000</u>	<u>70,000</u>	<u>26,342</u>	<u>43,658</u>
Source of supply:				
Supplies	1,500	1,500	2,408	(908)
Chemicals	6,000	6,000	5,876	124
Tests	<u>3,500</u>	<u>3,500</u>	<u>1,864</u>	<u>1,636</u>
Total Water Treatment	<u>11,000</u>	<u>11,000</u>	<u>10,148</u>	<u>852</u>

STRASBURG SANITATION AND WATER DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL, CONTINUED

Year Ended December 31, 2018

	<u>Original Budget</u> (Compiled)	<u>Final Budget</u> (Compiled)	<u>Actual</u>	Variance Favorable (Unfavorable)
Transmission and Distribution:				
Supplies	6,000	6,000	4,079	1,921
Meter expense	2,000	2,000	1,592	408
Capital additions	<u>30,000</u>	<u>30,000</u>	<u>73,349</u>	<u>(43,349)</u>
Total Transmission and Distributions	<u>38,000</u>	<u>38,000</u>	<u>79,020</u>	<u>(41,020)</u>
Total Water	<u>119,000</u>	<u>119,000</u>	<u>115,510</u>	<u>3,490</u>
Administrative and General:				
Salaries and directors fees	93,000	93,000	87,883	5,117
Payroll taxes and benefits	2,600	2,600	4,200	(1,600)
Professional fees	61,500	61,500	40,914	20,586
Supplies	19,000	19,000	14,377	4,623
Insurance	<u>8,000</u>	<u>8,000</u>	<u>7,196</u>	<u>804</u>
Total Administrative and General	<u>184,100</u>	<u>184,100</u>	<u>154,570</u>	<u>29,530</u>
Total Expenditures	<u>505,600</u>	<u>505,600</u>	<u>477,807</u>	<u>27,793</u>
Total Revenues Over Expenditures	\$ <u>64,900</u>	\$ <u>64,900</u>	\$ <u>80,924</u>	\$ <u>16,024</u>
Reconciliation of Budget Net Income to General Accepted Accounting Principles				
Net Income:				
Net income per budget				\$ 80,924
Depreciation				(49,000)
Capital additions				<u>2,130</u>
Net income per general accepted accounting principles basis				\$ <u>34,054</u>